

## Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, May 1, 2007 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Sorensen; Members Owens, Moss and Butler

Members Absent: Members Selzer and Nuckolls

Other Members Present: None

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Jude LaCasse, Recording Secretary, County Administrator's Office

Department Heads/  
Elected Officials

Present: Mr. Phil Dick, Director, Building & Zoning; Ms. Jackie Dozier, County Auditor; Ms. Becky McNeil, County Treasurer; Ms. Jennifer Ho, Risk Management; Mr. Lee Newcom, County Recorder; Ms. Peggy Ann Milton, County Clerk

Others Present: Ms. Laura Dick, Executive Director, SHOWBUS; Mr. Mike Behary, Building and Zoning; Ms. Carol Ash, Internal Auditor, County Auditor's Office

Chairman Sorensen called the meeting to order at 4:00 p.m.

Chairman Sorensen presented the minutes from the April 3, 2007 Finance Committee Meeting and the March 20, 2007 Stand-up Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Mr. Phil Dick, Director, Building and Zoning, presented a request for approval of State Fiscal Year 2008 Section 5311 Non-Metro Public Transportation Operating Assistance Grant Application. In addition, Mr. Dick submitted a request for approval of a Purchase of Service Agreement between McLean County and Meadows Mennonite Retirement Community d/b/a SHOW BUS. Mr. Dick noted that these applications have been approved in the past. He noted that the operating assistance grant is \$321,756.00.

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Mr. Dick advised that there may be additional State funds available through IDOT later this year for the four Counties that will enhance public transportation, which will help with some of the local match of the Federal funds.

Mr. Owens asked if it was the same amount of funds as last year. Mr. Dick replied that it is slightly more than last year.

Motion by Owens/Moss to Recommend Approval of the State Fiscal Year 2008 Section 5311 Non-Metro Public Transportation Operating Assistance Grant Application, and to Recommend Approval of the Purchase of Service Agreement between McLean County and Meadows Mennonite Retirement Community d/b/a SHOW BUS.  
Motion carried.

Chairman Sorensen asked if there were any other questions. There were none.

Ms. Carol Ash, Internal Auditor, County Auditor's Office, reviewed the "Grant Information" Form. She requested permission to attend the Department Head Budget Preparation meeting to encourage all Department Heads to submit the Grant Form when they are applying for and/or receiving a grant. Ms. Ash added that the form should be filled out for new grants, yearly grants, multi-year grants and even potential grants.

Chairman Sorensen suggested that the Committee consider formalizing this information form in the Budget Policy. Mr. Zeunik replied that, rather than incorporate the form in the Budget Policy, the form could be incorporated in the Form's manual, which is part of the Budget Handbook that goes out to all offices and departments. He noted that it would be appropriate for Ms. Ash to discuss the form at the Department Head meeting. Mr. Zeunik stated that the Administrator's Office will also make sure that the form is attached to any grant requests.

Mr. Owens asked why the Health Department is exempt from submitting the grant forms. Ms. Dozier replied that the Health Department has their own system that works well for them. Ms. Ash added that the Outside Auditors have no problems with the Health Department.

Chairman Sorensen asked if there were any other questions. Hearing none, he thanked Ms. Dozier and Ms. Ash.

Ms. Becky McNeil, County Treasurer, reviewed her Financial Reports for the period ending April 30, 2007 as distributed.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending April 30, 2007, as follows:

- Retailers Occupation Tax Revenue Year to Date is \$1,902,220.66, which is -5.76% down from last year and 31.65% of budget.
- State Income Tax Revenue is \$595,632.60, which is 8.73% over last year and 37.33% of budget.
- Personal Property Replacement Tax Revenue is \$639,713.19, which is 11.39% above last year and 45.86% of budget.

Ms. McNeil reported that there was a lot of CD activity at the end of March and April. She noted that she gained approximately 1.46% overall on the CD's that matured and the CD's that were renewed. Ms. McNeil indicated that the market is very interesting right now, noting that in early March the nine-month rates were better than the 12-month rates, but now the 12-month rates are better. She stated that the Money Market rates have remained the same. The total of all funds in the Treasurer's General Pooled Investment Account is \$29,747,241.19.

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance for the General Fund as of April 30, 2007, as follows:

- The total Revenue as of April 30, 2007 is \$5,974,088.60, which is 19.85% of budget;
- Expenditures are \$8,562,715.16, which is 28.46% of budget;
- The Fund Balance as of April 30, 2007 is \$7,999,724.61.

Ms. McNeil stated that, currently, the County is relying on its Fund Balance since Expenses are exceeding the Revenue. She noted that the interest on investments continues to increase.

Motion by Owens/Butler to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending April 30, 2007, as submitted.  
Motion carried.

Ms. McNeil advised that the Treasurer's Office is currently working on tax bills, as the rates were just received. She stated that, if everything goes as planned, those bills will go out on May 15<sup>th</sup>. The first installment due date will be 30 days from that date and second installment will be due in September. Ms. McNeil indicated that the County's first distribution will not be made as early as in previous years. She noted that she does not have an immediate concern as there is a sufficient Fund Balance.

Chairman Sorensen asked if there will be lending activity between the funds next month. Ms. McNeil replied that there will probably be some inter-fund borrowing between funds.

Chairman Sorensen asked if there were any questions or comments. Hearing none, he thanked Ms. McNeil.

Chairman Sorensen presented the Risk Management First Quarter Risk Management Fund Report for Fiscal Year 2007 as submitted by Ms. Jennifer Ho, Risk Management. Chairman Sorensen asked if there were any questions or comments. There were none.

Mr. Lee Newcom, County Recorder, presented his Monthly Report. Mr. Newcom stated that there is nothing out of the ordinary in the report. Chairman Sorensen asked if there were any comments or questions. Hearing none, he thanked Mr. Newcom.

Ms. Peggy Ann Milton, County Clerk, reported that, according to 10 ILCS 5/1102, at its regular meeting in June, the County Board is to split precincts that have grown too large. She proposed the following changes:

Current

Will Become

Normal 8

Normal 8E and Normal 8W

Normal 18

Normal 18E and Normal 18W

Normal 23

Normal 23A and Normal 23B

Normal 26

Normal 26 and Normal 27

Old Town

Old Town 1 and Old Town 2

Randolph Township

Restructuring and adding fourth precinct

Bloomington Township

Combining Bloomington 3 and 4 and  
Restructuring Bloomington 1 and 2

Ms. Milton advised that the County Board has the responsibility to split precincts according to 10 ILCS 5/11-2. She indicated that all of the reorganizations have been approved by the appropriate Township Supervisors. Ms. Milton stated that the splits need to be done in June of each year. She noted that she is presenting the proposed splits at this meeting for the Committee's review and will submit the proposed splits for Committee approval at the June meeting.

Mr. Butler asked for clarification on this procedure. Chairman Sorensen explained that, in election law, the size of precincts should be roughly equal. When a precinct grows too large, it must be split. It is an attempt to make sure that precincts are all within a general size. Chairman Sorensen reiterated that it is the County Board's responsibility to approve the precinct maps, including the splits.

Ms. Milton stated that there is grant money available to pay for the additional voting machines that will be necessary because of the splits. She noted that the Election Judge expense will increase approximately \$6,000.00 in an even year and approximately \$3,600.00 in an odd year, if there are two elections. If there is only one election, it will be \$1,800.00.

After a lengthy discussion regarding the new numbering system; i.e. Normal 8 becoming Normal 8E and Normal 8W, the Committee asked Ms Milton to bring two options to the next meeting – one option will be the number/letter designation, as she submitted it to the Committee, and one that uses numbers only.

Ms. Milton reviewed a NACo Prescription Drug Discount Card Program. She noted that County Administration reviewed this program in the past, but did not recommend pursuing Board approval. Ms. Milton noted that, since that time, more information has become available regarding the Program.

Ms. Milton noted that the following Illinois Counties participate in this Program: DeKalb County, DuPage County, Kankakee County, Lake County, McHenry County and Peoria County. She stated that Peoria County started the program in May of 2006 and reports savings for its citizens of \$90,000.00 in one year.

Ms. Milton indicated there is no cost to the County to provide the Prescription Drug Discount Card Program to citizens of McLean County. She noted that any County official can take the responsibility of putting out the press releases, posters and cards that are provided by NACo. Ms. Milton stated that she would be willing to set up the press releases, make the cards available at her counter, distribute cards to Town and Township Clerks, etc.

Ms. Milton stated that Caremark, the entity that provides the service, does all of the work. The County is simply the conduit to the public to make this card available. She noted that the plan is not income-based. If you have insurance and the drug you are purchasing is not covered by your insurance, you may use the card. If you do not have insurance, you can use the card.

Ms. Milton indicated that if the Committee is interested in considering recommending approval of this program at next month's meeting, she can have Assistant State's Attorneys Brian Hug or Eric Ruud review the contract. She noted that it may be possible to edit the contract, if necessary.

Mr. Moss asked if the Health Department is aware of this program. Mr. Lindberg replied that the Health Department looked at the program in the past. Mr. Moss asked when the original review took place. Mr. Lindberg replied that it was reviewed last October.

Mr. Lindberg advised that when the program was first reviewed, there were about 500 Counties nationally participating in the program with an average savings of \$25,000.00 per County. In Illinois, there were two or three Counties participating and now there are five Counties actively involved. Mr. Lindberg noted that he conferred with Bloomington Township because they have the biggest organized health program, namely the John Scott Program. One of the concerns they had about the NACo Program is that the provider, CVS, was not known. CVS subsequently merged with Caremark. Mr. Lindberg stated that you can opt for Caremark through the mail or opt for one of the thousands of local participants. He indicated that he ran his own drugs through the program and one of out six had the same discount as his insurance. With one prescription, there was a \$10.00 co-pay with his regular insurance and a \$249.00 co-pay with Caremark.

Mr. Lindberg advised that there are also other subscription discounts available, such as Meijer, which offers a limited amount of free antibiotics, and Wal-Mart provides \$4.00 co-pay on generic prescriptions. He noted that Caremark cannot beat these types of discounts. Mr. Lindberg stated that when Caremark shows their savings, it is not possible to know what prices they are using to determine their savings. He indicated that Caremark shows an average savings per subscription of anywhere from \$7.00 to \$12.00, but it is not clear what that is measured against.

Mr. Lindberg explained that the John Scott representatives were not excited about the NACo Program because there are at least six other programs where people are getting some kind of drug discount, not counting private insurance programs. He also noted that the Community Health Clinic has been aggressive in working with drug manufacturers to provide a limited number of free prescription drugs.

Mr. Lindberg stated that Peoria County is averaging about 900 people using the NACo Program per month, with about two prescriptions per person, which is 450 prescriptions per month. This means that approximately 450 people are realizing a savings of about \$24.00 per month.

Mr. Lindberg advised that the County is approached by many providers that guarantee zero staff effort. He stated that most often County staff assistance becomes necessary.

Mr. Moss asked if the programs at Wal-Mart, Meijer and Community Health Clinic are income-based. Mr. Lindberg replied that he does not believe they are income-based.

After a lengthy discussion, the Committee asked that the NACo Prescription Drug Discount Card Program be brought back to the Finance Committee in June as an action item.

Ms. Milton presented an update on the election, noting that the election was over on April 17<sup>th</sup>. She stated that:

- Retab was completed yesterday;
- 14-day window provisionals and absentees were completed today;
- Need to canvas by May 8<sup>th</sup>;
- New law mandates that the County Clerk's Office canvas everything for the election;
- Winners will be declared on May 8<sup>th</sup>;
- There was a 14% turnout for the election.

Ms. Milton reviewed the tax extension. She advised that, due to a program error and a data entry error, the tax extension notices were delayed. Ms. Milton stated that the tax extension notices were delivered to the Treasurer's Office today.

Chairman Sorensen asked if there were any comments or questions. Hearing none, he thanked Ms. Milton.

Ms. Ho arrived at the meeting at 4:55 p.m. Chairman Sorensen advised her that the Committee reviewed her report and did not have any questions.

Ms. Ho stated that a significant development for the first quarter is the positive claim experience for the County which ranks as the lowest in terms of reported claims counts and incurred dollars. She advised that, while this is a positive development, it is important to continue with due diligence to reduce losses.

Chairman Sorensen asked if there were any comments or questions. Hearing none, he thanked Ms. Ho.

Chairman Sorensen presented the Nursing Home March Monthly Report as submitted by Mr. Don Lee, Director, Nursing Home.

Mr. Zeunik presented a request for approval of the Resolution Establishing the Budget Policy for Fiscal Year 2008. He stated that this is presented to the Finance Committee, which will recommend it to the Executive Committee and then to the Board. Mr. Zeunik advised that this Resolution is presented in May of each year. He indicated that the County begins the departmental preparation of the 2008 Budget in June, which is then presented to the Board in September.

Mr. Zeunik stated that, under the Rules of the County Board, it is the Executive Committee's responsibility, in November, to bring all of the Committee recommendations together and finalize the annual operating budget and the tax levy. Mr. Zeunik noted that there are no significant changes proposed in the Fiscal Year 2008 Budget Policy. One change that has been made is on Page 85, Paragraph C. Previously that paragraph included specific language that permitted the Board to use money from the General Fund Unencumbered Fund Balance to fund the development of the Integrated Justice Information System. That System is scheduled to be completed this year, so that has been taken out. Mr. Zeunik indicated that the Policy Statement now reads "...the funds may be appropriated for specific capital improvement projects, including necessary repairs and improvements to County buildings and the Old Courthouse that houses the McLean County Museum of History..." He noted that the Old Courthouse was specified because it is a building which the County is required to maintain even though there are no County offices or departments in that building. The General Fund Unencumbered Fund Balance can also be used for annual debt service payments.

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Mr. Zeunik pointed out that the Calendar for preparation of the budget, which is attached to the Policy, outlines the key date when departments and offices are to have work completed on the budget, the dates when the Recommended Budget will be presented to the County Board, and the final approval process through the Committee hearings and the adoption of the Budget in November.

Chairman Sorensen asked if there were any questions. There were none.

Motion by Moss/Butler to recommend Approval of the Resolution Establishing the Budget Policy for Fiscal Year 2008.  
Motion carried.

Chairman Sorensen called for a motion to go into Executive Session to discuss Collective Bargaining with the Committee Members, the Administrator's Office Staff and the Bargaining Team.

Motion by Owens/Moss to Recommend the Finance Committee go into Executive Session at 5:10 p.m. to discuss Collective Bargaining with the Committee Members and the Administrator's Office Staff.  
Motion carried.

Motion by Owens/Moss to recommend the Finance Committee return to Open Session at 5:25 p.m.  
Motion carried

Chairman Sorensen presented the April 30, 2007 Finance Committee bills for review and approval as transmitted by the County Auditor. The Nursing Home Fund Total is \$476,338.31 with a Prepaid Total the same and the Finance Committee bills include a Fund Total of \$695,531.60 with a Prepaid Total the same.

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Motion by Butler/Owens to recommend approval of  
the Finance Committee bills as of April 30, 2007.  
Motion carried.

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There being nothing further to come before the Committee at this time,  
Chairman Sorensen adjourned the meeting at 5:27 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary

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